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Foreign Crops and MARKETS



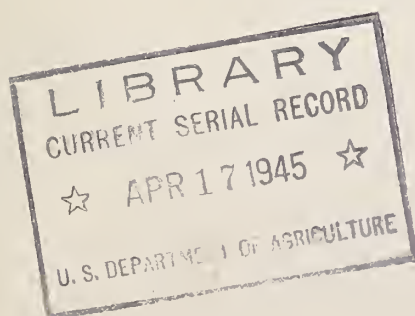
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CUBAN SUPPLIES OF FATS AND OILS CONTINUE LIMITED

Cuban stocks of fats and oils during the first months of 1945 continue at limited levels, a situation that has prevailed most of the time since 1942. In February the situation was characterized by a tight position in soap fats, the smallest lard stocks in several years, and a somewhat brighter, though probably temporary, picture in the supply of edible vegetable oils. Indications now are that the supply of all fats and oils will be considerably below the demand throughout 1945. The present tight position has resulted mainly from relatively small imports in recent months. Cuba usually imports about 75 percent of its requirements of fats and oils. Smaller domestic production has also aggravated the supply situation. A 1944 peanut crop smaller than that of 1943 resulted in reduced quantities of peanut oil. Inedible tallow production during 1944, like 1943, was not as large as in previous years.

As a result of general prosperity, the demand for fats and oils exceeds the limited supply. Since 1941, when the war cut off former sources of supply, Cuba has been pressed for industrial and edible fats and oils, and consumption has been curtailed. The greatest shift in raw materials used has taken place in the soap industry, which prior to 1941 consumed large quantities of palm and coconut oils. It now takes practically none of those oils but uses inedible tallow instead and small quantities of oil foots and greases.

CUBA: Imports of inedible tallow, palm oil, and coconut oil, 1944 with comparisons

| YEAR | INEDIBLE: TALLOW | PALM OIL | COCONUT: OIL | TOTAL |
|-------------------|---------------------|-------------|-----------------|------------------|
| | : 1,000 | : 1,000 | : 1,000 | : 1,000 |
| | pounds | pounds | pounds | pounds |
| Average - | | | | |
| 1931-1935: | 3,400 | 5,085 | 3,700 | 12,185 |
| 1936-1940: | 2,780 | 16,180 | 4,945 | 23,905 |
| 1941 | 11,150 | 7,200 | 6,290 | 18,640 |
| 1942 | 35,730 | 16 | 370 | 36,116 |
| 1943 <u>a/</u> .. | 16,805 | 60 | 370 | <u>b/</u> 17,235 |
| 1944 <u>a/</u> .. | 21,135 | <u>c/</u> | <u>c/</u> | <u>b/</u> 21,135 |

Official sources through 1942.

a/ Preliminary and unofficial.

b/ Incomplete.

c/ Not available.

From 1938 to 1940 only small amounts of imported inedible tallow were used for purposes other than soap manufacture. Probably 85 percent of all the hard-oil imports were destined for soap before 1941 and a higher percentage in the following 2 years. Since 1941 the United States, Argentina, and Canada have been the suppliers of inedible tallow.

The only important soap fat produced in Cuba is inedible tallow. Total tallow production probably averages around 12 million

pounds yearly, of which about 10 million pounds are inedible and used for soap production. Output in 1941 was exceptionally large, amounting to about 16 million pounds, because of large slaughter of cattle for export. In 1943 and 1944, the output probably did not exceed 9 million pounds annually. Drought conditions and less trimming of fat because of the high prices of meat have in part affected production. About 50 percent of the inedible tallow is produced in the smaller towns and the balance mostly in Pabana. Small amounts of domestically produced peanut oil foots are also utilized for soap fat.

Cuba's monthly consumption of industrial fats and oils in the manufacture of soap, paint, candles, and matches fluctuates between 2 and 3 million pounds. If more materials were available, this rate probably would show a marked increase. Until the tight world supply situation eases and adequate transportation facilities once more become available, Cuban supplies are expected to remain limited.

In the edible field, lard is the most important fat in the Cuban diet, with peanut and soybean oil ranking second and third in importance in recent years. During the 1930's olive oil was widely used, but that commodity has almost disappeared from the Cuban diet since the war.

Cuba's yearly production of lard is estimated at about 6 million pounds, or about 9 percent of the total lard consumption for the 5-year period, 1939-1943, when imports averaged 65 million pounds annually. Officially reported slaughter of hogs averaged 146,600 from 1931 to 1935 and rose to 184,500 from 1936 to 1940. From 1940 through 1942 officially recorded slaughter

averaged about 217,100. The figures do not include the hogs slaughtered on farms, and total annual slaughter probably is around 300,000 head. Due to the relatively high prices for corn and its widespread use as a foodstuff by the Cuban people, it is not fed in large quantities to hogs. Although breeding methods and feeding practices are improving, it appears that lard production has little prospect of expanding beyond 10 million pounds yearly.

The per capita consumption of lard during the 5 years 1939-1943 averaged about 15 pounds. The higher consumption in Cuba is partly offset by the fact that very little butter is used in the diet. Cuban imports of lard before the war fluctuated between a high point of 104 million pounds in 1924 and a low of 10 million pounds in 1933. Arrivals have been larger since 1940. Domestic consumption today would probably reach 75 to 80 million pounds if that much were available. Cuba was second only to the United Kingdom as a market for United States lard from 1934 to 1940.

Peanut oil is the only important vegetable oil produced in Cuba. Production rose from about 1.3 million pounds in 1937 to about 18 million in 1943.

CUBA: Peanut and oil production,
1937-1944

| YEAR | : PRODUC- : TION <u>a/</u> | : KEPT : FOR SEED: | : CRUSHED | : OIL <u>b/</u> : PRODUCED |
|----------------|-------------------------------|-----------------------|---------------------|-------------------------------|
| | : 1,000 : pounds | : 1,000 : pounds | : 1,000 : pounds | : 1,000 : pounds |
| 1937 ... | 5,500: | 800: | 4,700: | 1,300 |
| 1938 ... | 12,600: | 2,400: | 10,200: | 2,800 |
| 1939 ... | 32,500: | 3,300: | 29,200: | 8,000 |
| 1940 ... | 45,000: | 4,300: | 40,700: | 11,200 |
| 1941 ... | 58,700: | 3,700: | 55,000: | 15,100 |
| 1942 ... | 41,800: | 4,800: | 37,000: | 10,200 |
| 1943 ... | 72,000: <u>c/</u> | 8,000: | 64,000: | 17,900 |
| 1944 <u>d/</u> | 55,000: | 6,000: | 49,000: | 13,700 |
| | : | : | : | : |

American Embassy, Habana.

a/ Unshelled.

b/ Calculated at 27 percent of weight of unshelled nuts except in 1943, 28 percent due to introduction of considerable quantity of Spanish-type peanuts.

c/ Includes 1,700,000 pounds to be returned to Commodity Credit Corporation under seed contract.

d/ Preliminary and unofficial.

A prolonged drought in the spring of 1944 prevented early planting of peanuts. There was also competition for labor during the long sugar-grinding season. From the estimated 1944 peanut production of 55 million pounds, about 14 million pounds of oil will be produced by the end of March 1945.

The Cuban Government has been encouraging increased production of peanuts. The program has taken the form of distribution of peanut seed to growers and fixed minimum prices to growers. Peanut oil in the past few years, however, has accounted for only about 15 percent of Cuba's total requirements of edible fats and oils.

Of all the edible fats and oils utilized, olive oil normally occupies first place in household preference. Since 1940, however, only small quantities have been imported. The imports of 4,400 pounds in 1942 were significant when compared with pre-war arrivals. When olive oil is not available, or when the price is high, it is blended in small quantities with large amounts of soybean or peanut oil or by synthetically flavoring the latter oils to imitate olive oil.

The consumer's second choice in vegetable oils is soybean oil. This product first arrived in Cuba in large volume following a temporary reduction in import duties from 1934 to 1937. Imports of soybean oil from Manchuria then increased greatly and almost completely replaced cottonseed oil from the United States. Soybean-oil imports averaged 9.9 million pounds during 1936-1940 and amounted to 15.7 million pounds in 1943. They declined to 2.6 million pounds in 1944, mostly as a result of increased domestic production of peanut oil and the tight supply situation in foreign producing countries.

Only about 10 to 15 percent of the total consumption of edible fats and oils is used industrially in the baking trade. For this there are extensive substitutions between lard and lard compounds, depending primarily on relative prices.

Present hydrogenation facilities have an output of only 2 to 3 million pounds of hard cooking fats per year. The main use of hydrogenated fats has been in high-quality

crackers. Other processed hard compounds are made by several companies who have the equipment for refining, deodorizing, bleaching, and solidifying over refrigerated rolls. Their production varies from nothing to 5 million pounds a year, depending on price relationships between lard and vegetable oils.

Cuban prices of fats and oils have generally remained at or near ceiling levels during the war. Current lard prices are 22 cents per Spanish pound (1.0143 pounds avoirdupois) wholesale and 25 cents retail, in bulk. Edible vegetable oils range around 32 cents wholesale and 42 cents retail, according to brand and size of container.

CUBA: Imports of edible fats and oils, 1944 with comparisons

| YEAR | LARD | EDIBLE TALLOW | COMPOUND LARD | OLE-STEARINE | OLIVE OIL | SOYBEAN OIL | OTHERS | TOTAL |
|-----------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Average - | | | | | | | | |
| 1931-1935 | 24,990 | 2,615 | 170 | 185 | 17,895 | 1,530 | 9,480 | 56,865 |
| 1936-1940 | 47,000 | 300 | 310 | 130 | 8,500 | 9,990 | 7,540 | 73,770 |
| 1941 | 65,600 | 4 | 290 | 30 | 33 | 7,330 | 2,515 | 74,002 |
| 1942 | 62,490 | 1,750 | 220 | 140 | 4 | 8,170 | 1,925 | 74,699 |
| 1943 | 79,665 | 2,670 | 19 | 0 | 18 | 15,710 | 476 | 98,558 |
| 1944 a/ | 66,345 | 650 | b/ | 238 | b/ | 2,615 | b/ | c/ 69,848 |

Official sources through 1943.

a/ Preliminary and unofficial. b/ Not available. c/ Incomplete.

Based on reports from
American Embassy, Habana, Cuba

WORLD PRODUCTION OF DRIED PEACHES HIGHER

The 1944 preliminary estimate of dried-peach production in the United States, Argentina, Chile, Australia, and the Union of South Africa, the leading commercial-producing countries, is 34,100 short tons compared with 23,700 tons in 1943. This estimate represents an increase of 34 percent over the 5-year (1938-1942) average and of 28 percent compared with the 10-year (1933-1942) average. Furthermore, it represents the peak production. Output in the United States, Argentina, and Australia showed sharp increases, that of the Union of South Africa remained unchanged, and that of Chile showed a marked decline.

PEACHES, DRIED: Estimated production in specified countries, 1938-1945

| YEAR | ARGENTINA | AUSTRALIA | CHILE | UNION OF SOUTH AFRICA | TOTAL, FOUR COUNTRIES | UNITED STATES | TOTAL |
|-----------------|------------|------------|------------|-----------------------|-----------------------|---------------|------------|
| | a/ | | a/ | | | | |
| | Short tons | Short tons | Short tons | Short tons | Short tons | Short tons | Short tons |
| Average - | | | | | | | |
| 1933-1942 | 1,200 | 500 | 1,600 | 700 | 4,000 | 22,600 | 26,600 |
| 1938-1942 | 1,300 | 500 | 1,300 | 700 | 3,800 | 21,700 | 25,500 |
| 1938 | 1,500 | 600 | 1,600 | 1,000 | 4,700 | 22,000 | 26,700 |
| 1939 | 1,900 | 500 | 1,400 | 500 | 4,300 | 24,000 | 28,300 |
| 1940 | 1,000 | 500 | 1,200 | 1,000 | 3,700 | 24,400 | 28,100 |
| 1941 | 1,800 | 600 | 1,100 | 300 | 3,800 | 14,900 | 18,700 |
| 1942 | 400 | 400 | 1,300 | 700 | 2,800 | 23,200 | 26,000 |
| 1943 | 3,800 | 400 | 1,100 | 1,100 | 6,400 | 17,300 | 23,700 |
| 1944 | b/ 5,300 | b/ 500 | b/ 700 | b/ 1,100 | b/ 7,600 | 26,500 | 34,100 |
| 1945 | c/ 5,000 | c/ 500 | c/ 600 | c/ 700 | c/ 6,800 | d/ | - |

Compiled from official sources.

a/ Based largely on export, trade, and domestic consumption data.

b/ Preliminary estimate.

c/ Preliminary forecast.

d/ Not available.

The 1944 preliminary estimate of 5,300 short tons of dried peaches in Argentina is the largest production on record for that country and compares with 3,800 tons in 1943. The 5-year (1938-1942) average was only 1,300 tons. Although it is still too early for a reliable forecast on a quantitative basis, indications are that the 1945 production may be about the same as that of 1944. Argentine dried-peach production has shown a considerable increase during the past 15 years.

The largest plantings of peaches are in Buenos Aires, Mendoza, Santa Fé, and Córdoba Provinces. These Provinces combined had about 80 percent of the bearing and nonbearing trees in 1937. Mendoza Province is turning more and more to the drying of fruits. The best varieties of peaches available for drying are said to be Elberta and Muir, though other varieties are also being dried.

Compared with other Latin American countries, Argentina is a relatively heavy consumer of dried peaches. During 1933-1937, imports of that commodity averaged 1,019 tons annually from Chile and 2 tons from the United States. During the 5-year period, 1938-1942, imports averaged 407 tons; exports, 15 tons; and production, 1,300 tons. This gives an indicated average consumption of 1,692 tons. It is interesting to note that about 9 percent of the dried peaches imported from Chile during 1938-1942 were "huesillas" - peaches dried without removal of the stone.

Post-war developments in this industry are uncertain. The world demand for dried peaches has never been on a par with other dried fruits, such as raisins, currants, and prunes. The largest consumer markets are in European countries. The potential outlet in neighboring Latin American countries is definitely limited. It may be assumed that grade, pack, and quality will be improved; that exports will be made to neighboring countries; and that imports from other countries will decline considerably if not stop altogether. Undoubtedly, some Argentine dried peaches will be exported also to Continental European markets after the war.

The 1944 preliminary estimate of Australian dried-peach production is 500 short tons compared with 400 tons during each of the 2 preceding years. That estimate is the same as the 5- and 10-year averages (1938-1942 and 1933-1942). During the 20 years preceding the outbreak of the war, production of dried peaches in that country varied between a high of 800 tons in 1923 and a low of 300 tons in 1932. The preliminary forecast for 1945 is again 500 tons.

During the 5-year period, 1938-1942, South Australia produced an average of about 59 percent of the total, Victoria 21 percent, and New South Wales 20 percent. Peach drying in Western Australia was relatively unimportant, averaging less than 1 ton per year.

The percentage of domestic consumption of dried peaches in relation to production is rather high. The average production during the 10-year period 1933-1942 was 500 tons, while exports averaged 192 tons, indicating an average domestic consumption of 308 tons, or 62 percent of the total output. Imports of dried peaches from the United States during the 10 years were insignificant, averaging only 480 pounds.

During the 10 years ended with the 1941-42 shipping season, exports were made to New Zealand, the United Kingdom, Canada, and other British countries, in the order named. Prior to that period, exports were predominately to the United Kingdom and New Zealand. Canada displayed its first real interest in Australian dried peaches during the 1929-30 marketing season, when 35 tons were shipped to that market. Canadian purchases reached their peak the next year, when 66 tons were imported from Australia.

Since the outbreak of the war, Australian domestic consumption and exports of dried peaches have declined. The armed forces have taken a large share of the annual production and are expected to continue to do so for the duration of the war. The post-war outlook does not indicate any material change in this industry. It is anticipated that production will remain on about the same level, with exports and domestic consumption following the pre-war pattern.

The 1944 preliminary estimate of production in Chile is 700 tons compared with 1,100 tons in 1943. The estimate is a little more than half the 5-year (1938-1942) average and a little less than half the 10-year (1933-1942) average. The forecast for 1945 is 600 tons.

The Provinces of Coquimbo, Santiago, Aconcagua, and Valparaiso have about 96 percent of the acreage. About 34 percent of the classified bearing acreage is planted to Elbertas, 28 percent to Reina Elena, 14 percent to Pomona Mejorado, 12 percent to Charavisano, and the balance to other varieties. The bearing acreage classified by variety represents only 18 percent of the total. Most of the dried peaches are produced in the Provinces of Coquimbo and Aconcagua. About 57 percent of the peaches are dried with the stone and 43 percent without, of which 90 percent without the stones were produced in Coquimbo Province.

Chilean exports of dried peaches have been large in relation to total production. The principal export outlets have been Argentina, Uruguay, Peru, and other nearby Latin American markets. The only export sales to European countries prior to the war were to Germany. Sales to that country during 1935-1939 averaged 176 short tons. Exports of dried peaches to all countries have been predominately of fruit without the stone. An average of 148 tons of peaches with stones were exported between 1933 and 1942, however. Peru took an average of 114 tons and Argentina 29 tons of the latter.

At present the outlook appears to indicate a continued downward trend in dried-peach production during the post-war period. The rapid increase of production in Argentina, the principal export outlet, will reduce export demand considerably. Information at hand indicates a deterioration of the bearing surface, which ultimately will reduce the quantity available for drying. While nearby Latin American markets probably will continue to take peaches from Chile for some time, competition from Argentina will be strong. It is possible that efforts will be made to develop European outlets after the return of normal trade conditions.

The 1944 preliminary estimate of dried-peach production in the Union of South Africa is the same as that for 1943, or 1,100 tons. The estimate is 57 percent larger than both the 5-year (1938-1942) and the 10-year (1933-1942) averages. The preliminary forecast for 1945 is 700 tons. Production has fluctuated widely through the past 25 years. The largest production was 1,500 tons in 1925, and the lowest, 300 tons in 1941.

Dried-peach production is centered in the peach-growing districts around Ceres, Tulbagh, and Worcester, though small quantities are also dried in Transvaal and Orange Free State. The industry was primarily intended to supply the home market requirements prior to the war. Exports were made of excess quantities to nearby British colonies and to the mother country. Production for the export market has not been considered a very profitable venture in the Union, and few attempts have been made to plant varieties suitable for drying. The primary considerations in selecting varieties for planting were for fresh use and canning.

There is as yet no indication that the post-war situation with regard to this industry will differ from that before the war. The primary interest probably will continue to be to supply the domestic market and then to make limited exports to nearby British colonies. It is not likely that any material expansion in production will occur in the post-war period.

The 1944 preliminary estimate of dried-peach production in the United States is 26,500 tons compared with 17,300 tons in 1943. This estimate shows a 22-percent increase over the 5-year (1938-1942) average and a 17-percent increase over the 10-year (1933-1942) average. Production during the past 25 years has fluctuated from a high of 28,200 tons in 1928 to a low of 14,900 in 1941.

Production of dried peaches is confined almost entirely to California, though occasional small lots are dried commercially in other peach-producing States. Freestone varieties provide about 80 percent of those sent to dry yards.

A large part of the United States output of this commodity is consumed domestically. During the 5 years 1935-1939 United States exports averaged 3,400 tons and production 22,900 tons, leaving an indicated domestic disappearance of 19,500 tons, or 85 percent of the production.

The export market was largely in Europe with France, the United Kingdom, Sweden, and the Netherlands figuring as the chief outlets. Shipments to Germany during 1933-34 amounted to 1,310 tons, or about 45 percent of the total to all Europe for that year, but by 1938-39 had declined to 78 tons.

During the 5-year period ended with the 1938-39 shipping season, exports to Europe averaged 2,400 tons and to Latin America 64 tons, while the total exports averaged 3,400 tons. The European market absorbed 70 percent of the exports during that period. Canada was the most important non-European market, taking an average of 790 tons annually, or 23 percent of total exports.

The war cut off exports to continental European countries with the exception of small lots to Sweden and other neutrals. Exports to the United Kingdom, however, reached all-time highs, and for the past 3 years represented about 70 percent of the total exports.

No material change is indicated for post-war years so far as exports are concerned. There will be some competition from Argentina and Chile in European and Latin American countries. Since quality and pack have not yet been fully developed in those countries, however, such competition most likely will be in lower-priced markets and will therefore not affect United States exports seriously. On the other hand, the post-war purchasing power of European consumers, import policies, and availability of other fruits, are factors that may have an important effect on the demand for the United States product.

W. R. Schreiber

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

GRAIN CROPS IN SOUTHERN BRAZIL DAMAGED BY DROUGHT

Grain crops in the important producing area of south Brazil have suffered considerable damage from drought and are expected to be generally smaller than last year's outturns, according to recent reports. After a prolonged drought, good rains were received in November, but December rainfall was deficient and poorly distributed.

The drought in southern Brazil continued throughout January and crops continued to deteriorate, except in some parts of the coastal area, which had light rains, and in the northeastern part of Rio Grande do Sul, where heavy rains fell during the second half of the month.

Prospects in central Brazil, on the other hand, improved after good rainfall was received in late January. Latest information indicates that the corn crop will be larger than last year's outturn in both

São Paulo and Minas Geraes if rainfall continues adequate.

As a result of deterioration in crops in southern Brazil, farmers were not selling wheat and corn, according to reports. Prices had advanced markedly, especially in the case of corn. Prices of corn were reported to have advanced from 25 to 45 cruzeiros per bag (55 to 99 cents per bushel in United States currency).

In northeastern Brazil plantings suffered from lack of rainfall in January. Insect damage was also reported to be heavy in that area. Rains were received late in January, however, saving some of the original plantings and making it possible to replant, where necessary.

URUGUAY PROHIBITS CORN EXPORTS

Further exports of corn from Uruguay are prohibited, according to the terms of a decree dated January 23. The decree cancels authorization of corn exports granted in

late 1944, stating that the outlook for the corn crop to be harvested in April-May is unfavorable and that it is desired that existing stocks be held in the country. The deterioration in prospects is due to drought.

ECUADORAN RICE EXPORTS REACH NEW HIGH

Ecuadoran rice exports in 1944 were considerably above the previous record shipments a year earlier, and over four times as large as the amount exported prior to the war. Total exports registered 149 million pounds, against 106 million in 1943 and an average of 31 million during the 5 years, 1937-1941. The large exports in 1944 are attributed primarily to the delayed shipments of the record 1943 crop.

The amount of rice available for shipment from Ecuador this year probably will be substantially below that exported in 1944. The official estimates for rice production in the 2 years, 1943 and 1944, are 7,607,000 bushels (223 million pounds) and 6,075,000 bushels (178 million pounds), respectively. The smaller production last year was due principally to a decreased acreage.

Rice production in 1945 may show a further decline. The acreage of the winter rainy-season rice, planted principally in January and February, is reported to be about 35 to 40 percent below plantings a year ago. The harvest from this acreage usually equals about 80 percent of the total production during the year.

CONDITION OF ARGENTINE RICE CROP FAIR

The condition of the 1944-45 Argentine rice crop was reported fair in the major-producing Provinces of Corrientes, Tucumán, Santa Fé, and Misiones early in February, but good in other areas. Of the total 1944-45 Argentine rice acreage, estimated at 128,000 acres, about three-fourths was in the Provinces that reported fair conditions. The low level of the Paraná and Uruguay Rivers in some instances prevented adequate irrigation.

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON: Price of certain foreign growths and qualities in specified markets

| MARKET LOCATION, KIND, AND QUALITY | DATE: 1945:PER POUND | PRICE |
|---------------------------------------|-------------------------|-------|
| | | Cents |
| Alexandria (spot) | : | : |
| Ashmouni, F.G.F. | 2-22: | a/ |
| Giza 7, F.G.F. | 2-22: | 32.99 |
| Karnak, F.G.F. | 2-22: | 32.36 |
| Bombay (March futures) | : | : |
| Jarila | 2-23: | 16.93 |
| Bombay (spot) | : | : |
| Kampala, East African | 2-23: | 36.31 |
| Buenos Aires (spot) | : | : |
| Type B | 2-24: | 14.72 |
| Lima (spot) | : | : |
| Tanguis, Type 5 | 2-24: | 15.47 |
| Recife (spot) | : | : |
| Mata, Type 5 | 2-23: | 12.68 |
| Sertao, Type 5 | 2-23: | 13.50 |
| São Paulo (spot) | : | : |
| São Paulo, Type 5 | 2-23: | 13.42 |
| Torreón (spot) | : | : |
| Middling, 15/16" | 2-23: | 17.91 |

Compiled from weekly cables from representatives abroad. a/ Not quoted.

SWISS COTTON STOCKS EXHAUSTED

Stocks of cotton in Switzerland are reported to be completely exhausted. Supplies of cotton bed sheets and other household and clothing items in the hands of distributors are also virtually exhausted. Articles made of rayon staple fiber and cotton mixed are very scarce. Linen sheets are available but are selling at prices well beyond the reach of the middle- and lower-income groups.

In pre-war years (1934-1938) imports of cotton into Switzerland averaged 131,000 bales (of 478 pounds net). Imports rose in

1939, as importers anticipated the outbreak of war, and declined sharply in 1940 and 1941, due to shipping difficulties and the limitations imposed by the British blockade authorities. Imports in 1942, 1943, and 1944 were almost nonexistent, and only about 5,000 bales are now en route to relieve an acute shortage. The relatively heavy import requirements in pre-war years were based partly on Switzerland's important export trade in high-quality cotton goods made largely of long staple Egyptian cotton.

SWITZERLAND: Imports of cotton by countries of origin, 1941 with comparisons
(In bales of 478 pounds net)

| | : AVERAGE: : : | | | |
|-----------------|--------------------------------|--|--|--|
| COUNTRY | : 1934- : 1939 : 1940 : 1941 | | | |
| | : 1938 : : : | | | |
| | : Bales : Bales : Bales: Bales | | | |
| Egypt | 69,141:106,954:21,465: 226 | | | |
| United States : | 36,082: 44,381:47,806: 8,043 | | | |
| India | 11,510: 11,631: 5,420: 557 | | | |
| Nigeria | 8,371: 10,027: 0: 0 | | | |
| Peru | 2,806: 5,298: 2,945: 6,136 | | | |
| Brazil | 1,456: 2,128: 289: 110 | | | |
| Others | 1,295: 512:14,475:34,128 | | | |
| Total | 130,661:180,931:92,400:49,200 | | | |
| Reexports | 465: 50: - : - | | | |

Compiled from official and other sources.

TOBACCO

BRAZIL HAS LOWER FLUE-CURED TOBACCO CROP; EXPORTS INCREASE

The 1944-45 crop of flue-cured tobacco in the State of Rio Grande do Sul, Brazil, is estimated at about 16.5 million pounds, compared with the 1943-44 production of about 24.3 million pounds. Dry weather during the growing season, which reduced yields about 30 percent below normal, was the principal factor resulting in the lower outturn for 1944-45. Production for the crop years 1938-39 through 1942-43 averaged about 15.2 million pounds annually. About 90 percent of Brazil's total production of flue-cured leaf is grown in the State of Rio Grande, where the flue-curing method was introduced in the early 1920's. Production centers largely in the area around

the city of Santa Cruz, and the leaf is harvested in the months of December and January. The quality is reported to be considerably below that of flue-cured grown in the United States.

Prior to 1943, most of the flue-cured leaf produced in Rio Grande do Sul was used in the domestic market. During the latter months of 1944 and early 1945, however, considerable quantities were exported to foreign countries. Spain, in particular, has become a heavy buyer of low-grade leaf. Total exports of leaf tobacco (including air-cured) from Rio Grande do Sul in 1944 amounted to about 6.2 million pounds, but it is believed that the bulk of these exports was composed of flue-cured. As a result of the heavy demand for export, prices paid to growers have nearly doubled within the past 2 years. The apparent shortage of leaf supplies for the domestic market may necessitate governmental action to curtail exports.

RIO GRANDE DO SUL: Farm price per pound for flue-cured leaf tobacco, by grade, 1942-43 to 1944-45

| GRADE | : 1942-43 : 1943-44 : 1944-45 | | | |
|----------|-------------------------------|--|--|--|
| | : Cents : Cents : Cents | | | |
| A | 13.4 : 15.0 : 22.4 | | | |
| B | 11.9 : 13.4 : 20.8 | | | |
| C | 10.3 : 11.9 : 18.5 | | | |
| D | 8.8 : 10.3 : 17.0 | | | |
| D2 | 8.0 : 9.6 : 15.4 | | | |
| E | 7.3 : 8.8 : 13.9 | | | |
| F1 | 6.5 : 7.6 : 12.3 | | | |
| F2 | 5.2 : 6.0 : 10.0 | | | |
| F3 | 3.4 : 4.0 : 7.7 | | | |
| V | 3.4 : 4.0 : 6.2 | | | |
| | : : : | | | |

Compiled from consular reports - Converted from original currency at 1 cruzeiro equals 5.1 cents.

FRUITS, VEGETABLES, AND NUTS

SHIPMENTS OF VEGETABLES FROM MEXICO INCREASE

Shipments of fresh vegetables from the Mexican West Coast area continue to exceed the level of the past two seasons, the total

from the beginning of the season early last November to February 15 exceeding that of last year by 40 percent. Shipments from southern Sonora practically ceased in mid-February, primarily because of low prices in the United States. Frost damage in Sinaloa on the nights of February 20 and 21 is estimated at between 20 and 40 percent to the bloom then on the vines. The loss will be reflected in shipments in late March and early April and will amount to about 1,000 cars. Because of this frost damage, only 4,500 cars remain to be shipped out of a previously estimated 5,500.

The large volume of shipments from Mexico of tomatoes and peas, together with shipments increasing from Florida and the Imperial Valley of California, have resulted in a sharp decline in market prices in the United States. Because of poor freight service, tomatoes are arriving at the border in poor condition and must be disposed of in nearby markets for whatever they will bring.

FRESH VEGETABLES: Shipments from West Coast of Mexico to United States, season through February 15

| COMMODITY | 1943 | 1944 | 1945 |
|--------------------|--------|--------|--------|
| | 1,000 | 1,000 | 1,000 |
| | pounds | pounds | pounds |
| Tomatoes | 38,052 | 40,884 | 64,186 |
| Peas, green | 5,920 | 3,475 | 6,223 |
| Peppers, green ... | 1,986 | 2,172 | 4,356 |
| Eggplants | 127 | 216 | 57 |
| Squash | 0 | 23 | 35 |
| Beans, green | 0 | 0 | 23 |
| Total | 46,085 | 46,770 | 74,880 |

Official sources.

**NEW BRUNSWICK ANNOUNCES
NEW EXPORT POLICY ON POTATOES**

A new export policy, announced by the Wartime Prices and Trade Board at Fredericton on February 12, 1945, permits the export of New Brunswick potatoes to the United States if adequate supplies are reserved for the Canadian markets. The quantity to be exported by each shipper will be determined in relation to his shipments to Canadian markets between December 4, 1944, and January 27, 1945. Usually shippers are required

to ship one carload to Canadian markets for each carload shipped to the United States. New export permits will be granted immediately on request. These permits will be valid until March 31, 1945, at which date there will again be a review of the potato-marketing situation, and the future export policy will be governed by this review. Export permits will be canceled in the event that the shipper fails to deliver potatoes, at ceiling prices, to meet the demands of the Canadian markets. All outstanding export permits expired on February 15, 1945, and no extension was to be granted for permits issued prior to that date.

LIVESTOCK AND ANIMAL PRODUCTS

**DROUGHT IN SOUTHERN BRAZIL CONTINUES
TO AFFECT CATTLE AND PASTURES ADVERSELY**

In Rio Grande do Sul, Brazil, the dry conditions that prevailed in November and December continued into the month of January. Rivers and other sources of water supply were reported as drying up rapidly. The threat of drought and high prices for cattle are expected to encourage producers to sell.

The Meat Institute has recently raised the estimate for the 1945 slaughter season in this State from 550,000 to 580,000 head for consumption outside the State, 480,000 for the production of charque (dried beef) for consumption in central and northern Brazil, and 100,000 for consumption as frozen meat and for export. By reducing the number to be slaughtered for export and by decreasing domestic consumption through the new beef-rationing program that came into effect on January 10, 1945, it is hoped that Rio Grande do Sul can supply 200,000 head of cattle for charque above the normal supply, which averaged 269,172 during the 5-year period 1940-1944.

In addition to the 580,000 head of cattle scheduled for out-of-State and export consumption, 240,000 head would normally be needed to supply the necessary fresh-meat consumption in Rio Grande do Sul. The rationing program may reduce the number needed for State consumption by 20,000 head or more, according to Meat Institute officials.

BRAZIL IMPORTS HOLSTEIN CATTLE FROM ARGENTINA

The State of São Paulo, Brazil, is currently importing Holstein cattle from Argentina in order to improve dairy herds. Disease and parasites, prevalent in most areas of Brazil, make it difficult to develop high-quality breeding herds of dairy cattle, and it is periodically necessary for Brazil to go to countries of more moderate climate to replenish their dairy stock.

A representative of the Department of Animal Production of São Paulo was sent to Argentina to purchase 600 head of quality Holstein cattle, about 500 of which were ordered by private farmers and the remainder by the State farms. Actually 426 head were purchased, including bulls, cows, and heifers.

The first shipment of 117 arrived at Santos at the end of November, being sent to São Paulo, where, upon unloading, they were taken to the Department of Animal Production health center for immunization against ticks and tristeza, and kept for a period of acclimatization. They are now about ready to be sent to the farms. The second shipment of 110 cows and a bull arrived in São Paulo in January. Expenses of transportation and immunization as well as maintenance at the Department's livestock station are paid for by the State.

INCREASE IN ARGENTINE EXPORTS OF HIDES AND SKINS

Exports from Argentina of all types of hides and skins for the first 11 months of

1944 increased 1.5 percent over those for the same period of 1943. Shipments for January-November 1944 amounted to 290 million pounds, whereas those for the same period of 1943 totaled 286 million pounds. Of these 1944 shipments, about 75 percent were for the United Kingdom and the balance for the United States. The increase can be attributed in part to an easing of Government control over exports of hides, skins, leather, and their manufactures. Restrictions were raised when it became apparent that there would be no immediate shortage in supplies needed to meet domestic requirements. While all exports continue to be subject to license control, these licenses are now being granted without undue delay.

Cattle hides constitute about three-fourths of the total shipments of hides and skins from Argentina. Shipments in the first 11 months of 1944 fell below those for the corresponding months of 1943, being 208 million pounds compared with 212 million. Although exports of wet hides improved in this period, shipment of dry hides declined. Exports of tanned hides, which totaled 31 million pounds, showed an increase of 3 million pounds over the quantity exported in the same 11 months of the preceding year. Sheepskin shipments rose from 23 million pounds in 1943 to 30 million pounds in 1944. There was little change in the weight of goat- and kidskins exported in the January-November period.

The value of total hide-and-skin shipments from Argentina in the first 11 months of 1944 was \$44,521,000, an increase of 10.9 percent over the valuation of \$40,189,000 in the same months of 1943.

LATE REGIONAL DEVELOPMENTS

ACREAGE INCREASE IN 1945 PLANNED IN THE SOVIET UNION

An increase of total crop area by 8.1 million hectares (20 million acres) over 1944 in the Soviet Union is called for by the Government agricultural plan for 1945. Of this increase, 6.5 million hectares (16 million acres) were to be on collective and

state farms. The remaining 1.6 million hectares (4 million acres) specified by the plan are assumed to be on individual peasant farms in the Baltic Republics and those reoccupied parts of the Soviet Union which before the war were under Rumanian and Polish control and where few collective and state farms exist. No distribution by individual crops is available.

In view of the fact that spring wheat acreage in 1944 decreased in the eastern part of the Soviet Union, which was never invaded by the enemy, a portion of the increase in acreage planned on collective and state farms is probably intended for those regions. But most of the increase on collective and state farms specified by the plan is probably intended to be in the liberated regions of the Soviet Union proper, such as the Ukraine, North Caucasus, etc. It is, therefore, probably reasonable to assume that out of the above figure of 6.5 million hectares (16 million acres) at least 5 million (12 million acres) are intended to be in the liberated regions.

The pre-war crop area of such regions is estimated roughly at 53 million hectares (131 million acres). This acreage was reduced during the German occupation. If it is assumed that in 1944 roughly two-thirds of this area was sown, then the assumed increase of 5 million hectares (12 million

acres) in 1945 would bring the total sown area this year to 40 million hectares (99 million acres). This figure would constitute three-fourths of the pre-war acreage of the liberated regions, exclusive of the territory of the Baltic Republics and that formerly under Polish and Rumanian control.

It may be noted that even if the 1945 sown area of the liberated regions was to increase by the whole 6.5 million hectares (16 million acres), it would still be a considerably smaller addition than occurred in 1944. In that year, the sown area on collective farms was reported at about 12 million hectares (30 million acres) more than that of 1943.

The annual 1945 plan deals as usual with many details of agricultural work during the current year. Much stress is laid on various measures for increasing crop yields, especially of cotton, and to the equipment and work of machine-tractor stations.